



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Nevada State Office
P.O. Box 12000 (1340 Financial Blvd.)
Reno, Nevada 89520-0006
www.blm.gov/nv/



In Reply Refer To:
3220

JUN 20 2008

Notice of Competitive Geothermal Lease Sale

The Nevada State Office is holding a competitive oral sale of Federal lands in the State of Nevada for geothermal leasing. Attached is a list that includes the parcel numbers, legal land descriptions and corresponding stipulations.

The list is available on the Internet at:

http://www.blm.gov/nv/st/en/prog/minerals/leasable_minerals/geothermal0.html

If the site is not accessible, you may request a paper copy from our Information Access Center by calling (775) 861-6500 between the hours of 7:30 a.m. and 4:30 p.m.

When and where will the sale take place?

When: The competitive sale begins at 9:00 a.m. on Tuesday, August 5, 2008. The sale room opens at 8:00 a.m. for registration and assignment of bidder numbers.

Where: We will hold the sale at the Bureau of Land Management, Nevada State Office, 1340 Financial Boulevard, Reno, Nevada. Onsite parking is available.

Access: The sale room is accessible to persons with disabilities. If you need a sign language interpreter or materials in an alternate format, please tell us no later than one week before the sale. You may contact **Chris Pulliam** at (775) 861-6506.

How do I register as a bidder?

Before the sale starts, you must complete a bidder registration form to obtain a bidding number. The forms are available at the registration desk.

What is the sale process?

Starting at 9:00 a.m. on the day of the sale:

- the auctioneer offers the parcels in the order they are shown on the attached list;
- all parcels included in a block will be sold together. If the entire block receives no bids, the auctioneer will reoffer the parcels individually.

- registered bidders make oral bids on a per-acre basis for all acres in a parcel/block;
- the winning bid is the highest oral bid equal to or exceeding the minimum \$2.00 bid;
- the decision of the auctioneer is final; and
- names of high bidders (lessees) remain confidential until the results list is available.

If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 640.48 acres requires a minimum bid of \$1,282.00 (641 acres x \$2.00).

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw parcels or cancel a sale, we will post a notice in our Information Access Center and announce the withdrawn parcels at the sale. We will also post a notice to our web page.
- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw parcels or cancel a sale, we will post a notice in our Information Access Center and announce the withdrawn parcels at the sale. We will also post a notice to our web page.
- **Lease terms:** Leases issue for a primary term of 10 years. BLM will extend the primary term of the lease if the requirements found in the regulations at 43 CFR 3207.10 have been met. Annual rental is \$2 per acre for the first year (paid to BLM), and \$3 per acre for the second through tenth year (paid to Minerals Management Service (MMS)). After the tenth year, annual rent will be \$5 per acre. Rent is always due in advance. MMS must receive annual rental payments by the anniversary date of the lease each year.

Royalty rates on geothermal resources produced for the commercial generation of electricity are 1.75 percent for the first 10 years of production and 3.5 percent thereafter. These rates are applied to the gross proceeds from the sale of electricity. The royalty rate is 10 percent for geothermal resources sold by you or your affiliate at arm's length to a purchaser who uses the resource to generate electricity (see the regulations at 30 CFR 206 subpart H and 43 CFR 3211.17 through 3211.20). Royalties shall be due and payable on the last day of the month following the month in which production occurred.

- **Stipulations:** Some parcels have special requirements or restrictions, which are called stipulations. These are included with the parcel descriptions. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.

All Federal geothermal lease rights are granted subject to applicable laws, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16 U.S.C 1531 et. seq. In accordance with Washington Office (WO) Instruction Memorandum (IM) No. 2002-174, each parcel included in this lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation.

In accordance with WO IM No. 2005-003, Cultural Resources and Tribal Consultation for Fluid Minerals Leasing, each parcel in this lease sale will be subject to the attached Cultural Resource Protection Lease Stipulation.

- **Bid form:** On the day of the sale, successful bidders must submit a properly completed bid form (Form 3000-2, October 1989 or later edition) along with their payment. This form can be found at www.blm.gov/FormsCentral/show-home.do, BLM form number 3000-002 (use the Fill in PDF format). The bid form is a legally binding offer to accept a lease and all its terms and conditions. Once the form is signed you cannot change it. **We will not accept any bid form that has information crossed out or is otherwise altered.**

We recommend you get a copy of the bid form and complete all but the money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies that:

- (1) You and the prospective lessee are qualified to hold a geothermal lease under our regulations at 43 CFR 3202.10; and
- (2) Both bidder and lessee have complied with 18 U.S.C., 1860, a law that prohibits unlawful combinations, intimidation or collusion among bidders.

- **Payment:**

- **You cannot withdraw your bid.**

- **Payment due on the day of the sale:** Your bid is a legally binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. By 4:30 p.m. on the day of the sale, you must pay the following: (1) twenty percent of the bid; (2) the total amount of the first year's rental (\$2 per acre); and (3) the non-refundable \$140 competitive lease processing fee.

- **Remaining payments:** If your bonus bid was more than \$2 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must pay the balance of your bonus bid by **4:30 p.m. on August 20th, 2008**, which is the 15th calendar day following the sale. **If payment is not received by BLM in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale.** We may offer the parcel in a future sale.

- **Method of payment:** You can pay by:

- personal check;
- cashier's check;
- certified check;
- money order; or
- credit card (Visa, Mastercard, American Express or Discover).

Please note: BLM will not accept credit or debit card payments to the Bureau for an amount equal to or greater than \$100,000. We also will not accept aggregated small amounts to bypass this requirement. We encourage you to make any payments of \$100,000 or more by Automated Clearing House (ACH) or Fed Wire transfer.

Make checks payable to: **Department of the Interior-BLM.** We do not accept cash. If you previously paid us with a check backed by insufficient funds, we will require a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you an extension of time to pay the money that is due the day of the sale.

- **Lease issuance:** After we receive the bid forms and all monies due, we can issue the lease. BLM issues your lease the day we sign it. Your lease goes into effect the first day of the next month after the issuance date.

How can I find out the results of this sale?

We post the sale results in the Nevada State Office Information Access Center and the Internet at: http://www.blm.gov/nv/st/en/prog/minerals/leasable_minerals/geothermal0.html

How do I file a noncompetitive offer to lease after the sale?

Lands that do not receive a bid are available for a two-year period beginning the first business day after the sale. To file a noncompetitive offer, you must submit:

- Two executed copies of the applicable noncompetitive lease form;
- \$360 nonrefundable administrative fee; and
- First year's advance rental (\$1.00 per acre or fraction thereof).

For 30 days after the competitive geothermal lease sale, noncompetitive applications will be accepted only for parcels as configured in the Notice of Competitive Geothermal Lease Sale. Subsequent to the 30-day period, you may file a noncompetitive application for any available lands covered by the competitive lease sale, not to exceed 5,120 acres per lease.

All applications for a particular parcel will be considered simultaneously filed if received in the proper BLM office any time during the first business day following the competitive lease sale. You may submit only one application per parcel. An application will not be available for public inspection the day it is filed. BLM will randomly select an application among those accepted on the first business day to receive a lease offer.

Subsequent to the first business day following the competitive lease sale, the first qualified applicant to submit an application will be offered the lease. If BLM receives simultaneous applications as to date and time for overlapping lands, BLM will randomly select one to receive a lease offer.

May I amend my application of a noncompetitive lease?

You may amend your application for a noncompetitive lease at any time before we issue the lease, provided your amended application does not add lands not included in the original application. To add lands, you must file a new application.

May I withdraw my application for a noncompetitive lease?

During the 30-day period after the competitive lease sale, BLM will only accept a withdrawal of the entire application. Following that 30-day period, you may withdraw your noncompetitive lease application in whole or in part at any time before BLM issues the lease. If a partial withdrawal causes your lease application to contain less than the minimum acreage required (640 acres, or all lands available for leasing in the section, whichever is less), BLM will reject the application.

Who should I contact if I have a question?

For more information, contact **Chris Pulliam** at (775) 861-6506.

A handwritten signature in black ink, appearing to read 'Atanda Clark', is positioned above the printed name and title.

Atanda Clark
Chief, Branch of Minerals Adjudication

ENDANGERED SPECIES ACT
SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modifications of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act, 16 USC § 1531 *et seq.*, as amended, including completion of any required procedure for conference or consultation.

CULTURAL RESOURCE PROTECTION
LEASE STIPULATION

This lease may be found to contain historic properties or resources protected under the National Historic Preservation Act, American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, EO 13007, or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require exploration or development proposals to be modified to protect such properties, or it may disapprove any activity that is likely to result in adverse effects that could not be successfully avoided, minimized, or mitigated.

TIMING LIMITATION STIPULATIONS
SAGE GROUSE STRUTTING AND NESTING AREAS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Surface use is prohibited from March 1- August 1 within 2.0 miles (line of site) of sage grouse strutting or nesting areas described below or on newly identified strutting or nesting areas.

Description of Lands

PARCEL NV-08-08-021

ALL LANDS

THREATENED, ENDANGERED, AND SPECIAL STATUS SPECIES

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it complete its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. &1531 et seq., including completion of any required procedure for conference or consultation.

Authority: BLM Washington Office Instruction Memorandum 2002-174; Endangered Species Act

Description of Lands

PARCEL NV-08-08-025

Thru

PARCEL NV-08-08-030

ALL LANDS

RAPTOR NESTING SITES

This lease may contain lands with active raptor nesting sites. These lands are subject to seasonal protection from disturbance to avoid displacement and mortality of raptor young. Restrictions apply up to a 0.5 mile radius around the active nesting sites of the following species during the period described. The entire Elko District may provide suitable nesting for one or more of the species listed below.

- a) Golden Eagles and Great Horned Owls during the period 1/1-6/30, inclusive.
- b) Long-eared Owls during the period 2/1-5/15, inclusive.
- c) Prairie Falcons during the period 3/1-6/30, inclusive.
- d) Ferruginous Hawks, Northern Harriers, and Barn Owls during the period 3/1-7/31, inclusive.
- e) Goshawk and Sharp-shinned Hawks during the period 3/15-7/15, inclusive.
- f) Cooper's Hawks, Kestrels, and Burrowing Owls during the period 4/1-6/30, inclusive.
- g) Red-tailed and Swainson's Hawk during the period 4/1-7/15, inclusive.
- h) Short-eared Owls during the period 2/1-6/15, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 25), Birds of the Great Basin, 1985; State Director Decision: Horse Canyon Decision, 2005;

Description of Lands

PARCEL NV-08-08-025
THRU
PARCEL NV-08-08-030

ALL LANDS

CULTURAL RESOURCES

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Authority: BLM Washington Office Instruction Memorandum 2005-03

Description of Lands

PARCEL NV-08-08-025

THRU

PARCEL NV-08-08-030

ALL LANDS

GEO-010-05-03

PRONGHORN ANTELOPE CRUCIAL WINTER RANGE

This lease contains lands which have been identified as pronghorn antelope crucial winter range (BLM EA 2005/030, September 2005). These lands are subject to seasonal protection from disturbance to avoid displacement and mortality to animals during the winter. A map of pronghorn antelope crucial winter range can be found in BLM EA 2005/030.

Seasonal restrictions from disturbance in pronghorn antelope crucial winter ranges apply during the period 11/15-3/16, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 3); Field Guide to Mammals (1976)

Description of Lands

PARCEL NV-08-08-025	ALL LANDS
PARCEL NV-08-08-026	ALL LANDS
PARCEL NV-08-08-029	ALL LANDS

SAGE GROUSE STRUTTING GROUND (LEKS)

This lease contains lands which have been identified as sage grouse strutting grounds (leks) that are subject to seasonal protection from disturbance. A map of known sage grouse leks as of May 2005 can be found in BLM EA 2005/030. Additional leks may be identified in the future.

No Surface Occupancy is permitted within 0.5 miles, or other, lesser, appropriate distance based on site-specific conditions, of sage grouse leks.

Authority/Supporting Documentation: Wells RMP ROD (p. 10); Elko RMP ROD (p. 35); Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000; State Director Decision: Horse Canyon Decision, 2005

Description of Lands

PARCEL NV-08-08-025 ALL LANDS

PARCEL NV-08-08-026 ALL LANDS

SAGE GROUSE BROOD REARING AREAS

This lease contains lands which have been identified as sage grouse brood rearing areas that are subject to seasonal protection from disturbance.

Seasonal restrictions from disturbance in sage grouse brood rearing areas apply within 0.5 miles or other appropriate distance based on site-specific conditions from 5/15 to 8/15, inclusive. This restriction does not apply to operating facilities.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 3 and 36) Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000, State Director Decision: Horse Canyon Decision, 2005

Description of Lands

PARCEL NV-08-08-025

THRU

PARCEL NV-08-08-027

ALL LANDS

SAGE GROUSE CRUCIAL WINTER HABITAT

This lease contains lands which have been identified as sage grouse crucial winter habitat that are subject to seasonal protection from disturbance. This stipulation does not apply to operating facilities.

Seasonal restrictions from disturbance in sage grouse crucial winter habitat apply during the period November 1 to March 15.

Authority/Supporting Documentation: Wells RMP ROD (p. 22 and 25); Elko RMP ROD; Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000;

Description of Lands

PARCEL NV-08-08-029

ALL LANDS

GEO-010-05-09

THREATENED, ENDANGERED OR SENSITIVE SPECIES

Controlled Or Limited Surface Use: (avoidance and/or mitigation measures to be developed)

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modifications of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act, 16 U.S.C. 1531, as amended, including completion of any required procedure for conference or consultation.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R. 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

NV-002-001

MIGRATORY BIRDS

Surface disturbing activities during the migratory bird nesting season (March to July) may be restricted in order to avoid potential violation of the Migratory Bird Act. Appropriate inventories of migratory birds shall be conducted during analysis of actual site development. If active nests are located, the proponent shall coordinate with BLM to establish appropriate protection measures for the nesting sites which may include avoidance or restricting or excluding development during certain areas to times when nests and nesting birds will not be disturbed. During development and production phases, if artificial ponds potentially detrimental to migratory birds are created, these shall be fitted with exclusion devices such as netting or floating balls.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

VEGETATION

Controlled Or Limited Surface Use: (avoidance and/or mitigation measures to be developed).

All areas of exploration and or development disturbance will be reclaimed including re-contouring disturbed areas to blend with the surrounding topography and using appropriate methods to seed with a diverse perennial seed mix.

The seed mix used to reclaim disturbed areas would be “certified” weed free.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R 26 E., sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

NV-002-003

NOXIOUS WEEDS

During all phases of exploration and development, the lessee shall maintain a noxious weed control program consisting of monitoring and eradication for species listed on the Nevada Designated Noxious Weed List (NRS 555.010).

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

CULTURAL RESOURCES

No surface occupancy: No surface occupancy within the setting of National Register eligible sites where integrity of setting is critical to their eligibility.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	T. 23 N., R. 28 E., MDM, Nevada sec. 32, N2NWNE.
PARCEL NV-08-08-012	T. 25 N., R. 38 E., MDM, Nevada sec. 28, NWSW.
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	T. 31 N., R. 39 E., MDM, Nevada sec. 33, E2SW.
PARCEL NV-08-08-020	ALL LANDS

NATIVE AMERICAN

Controlled Or Limited Surface Use: (avoidance and/or mitigation measures to be developed). All development activities proposed under the authority of this lease are subject to the requirement for Native American consultation prior to BLM authorizing the activity. Depending on the nature of the lease developments being proposed and the resources of concerns to tribes potentially affected, Native American consultation and resulting mitigation measures to avoid significant impacts may extend time frames for processing authorizations for development activities, as well as, change in the ways in which developments are implemented. For development and production phases, surface occupancy may be limited to a specific distance or precluded at hot springs, pending conclusion of the Native American consultation process.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

NV-002-007

CULTURAL RESOURCES AND NATIVE AMERICAN CONSULTATION

No Surface Occupancy: No surface occupancy within the setting of National Register eligible sites where integrity of setting is critical to their eligibility. No surface occupancy within the setting of National Register eligible Traditional Cultural Properties (TCPs) where integrity of the setting is critical to their eligibility.

Native American Consultation and investigation of ethnographic records determined that certain lands within the parcel contain a Native American Sacred Site and Traditional Cultural Property (TCP).

Description of Lands

Parcel NV-08-08-001

T. 20 N., R 26 E., MDM, Nevada
sec. 22, all.

WATER RESOURCES

As exploration and development activities commence, the operator shall institute a hydrologic monitoring program. The details of the monitoring programs will be site specific and the intensity shall be commensurate with the level of exploration. For example, if the proponent will be conducting seismic studies the monitoring would be limited to the identification of water resources to be monitored as activities continue; if a drilling program were to be undertaken the number of aquifers encountered, their properties, their quality, and their saturated thickness would be documented. The information collected will be submitted to the Bureau of Land Management and will be used to support future NEPA documentation as development progresses. Adverse impacts to surface expressions of the geothermal reservoir (hot springs), and Threatened and Endangered Species habitat are not acceptable. The lessee will monitor the quality, quantity, and temperature of any hot springs or other water resource within the project area whenever they are conducting activities which have the potential to impact those resources. If adverse impacts do occur, BLM will require the lessee to take corrective action to mitigate the impact. Corrective action may include shutting down the operation. These are in addition to the other stipulations. These are LEASE stipulations, not operational, the information gathered under the monitoring stipulation will be used to identify future impacts at the operational stage.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

HAZARDOUS MATERIALS

Prior to exploration and development, an emergency response plan will be developed to include contingencies for hazardous material spills and disposal.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-002	ALL LANDS
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-004	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

CONTROLLED OR LIMITED SURFACE USE

(avoidance and/or mitigation measures to be developed). All surface disturbing activities proposed after issuance of the lease are subject to compliance with Section 106 of the National Historic Preservation Act (NHPA) and its implementation through the protocol between the BLM Nevada State Director and the Nevada State Historic Preservation Officer.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R. 26 E., MDM, Nevada sec. 10, all.
PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-005	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-018	T. 31 N., R. 39 E., MDM, Nevada sec. 16, SW; sec. 16, PROT N2, SE; sec. 17, all; sec. 21, NE, E2NW, SWNW, S2; sec. 22, NE, E2NW, SWNW, S2; sec. 22, PROT N2, W2SW, SESW, SE; sec. 27, N2, W2SW, SESW, SE.
PARCEL NV-08-08-019	T. 31 N., R. 39 E., MDM, Nevada sec. 30, lots 1-4, E2, E2W2; sec. 31, lots 1-4, E2, E2W2; sec. 33, N2, E2SW, SE; sec. 34, N2N2, SENE, S2NW, S2; sec. 35, N2, N2S2, SWSW; sec. 36, N2, N2SW, NWSE, SESE.
PARCEL NV-08-08-020	ALL LANDS

WILD HORSE AND BURROS

Controlled or Limited Surface Use: (avoidance and/or mitigation measures to be developed.) If wild horse or burro populations are located on sites proposed for development, it may be necessary to avoid or develop mitigation measures to reduce adverse impacts to horses. These measures may include providing alternative water sources for horses of equal quality and quantity.

Description of Lands

PARCEL NV-08-08-003	ALL LANDS
PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS
PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

RIPARIAN AREAS

No surface occupancy within 650 feet (horizontal measurement) of any surface water bodies, riparian areas, wetlands, playas or 100-year floodplains to protect the integrity of these resources (as indicated by the presence of riparian vegetation and not actual water). Exceptions to this restriction may be considered on a case-by-case basis if the BLM determines at least one of the following conditions apply: 1) additional development is proposed in an area where current development has shown no adverse impacts, 2) suitable off-site mitigation will be provided if habitat loss is expected, or 3) BLM determines development proposed under any plan of operations ensures adequate protection of the resources.

Description of Lands

PARCEL NV-08-08-012	ALL LANDS
PARCEL NV-08-08-013	ALL LANDS
PARCEL NV-08-08-017	ALL LANDS

OTHER BIOTA

Prior to site development, a survey for invertebrates will be conducted on areas where geothermal surface expressions occur.

Description of Lands

PARCEL NV-08-08-012

ALL LANDS

GENERAL SAGE GROUSE STIPULATIONS

Prior to entry on any lease areas which include known or potential habitat, the lessee (operator) shall contact the appropriate BLM Field Office to discuss any proposed activities.

Description of Lands

PARCEL NV-08-08-018	ALL LANDS
PARCEL NV-08-08-019	ALL LANDS
PARCEL NV-08-08-020	ALL LANDS

LANDS & REALTY

No drilling, including exploration or development activities within linear Rights-of-Way

Description of Lands

PARCEL NV-08-08-018	T. 31 N., R. 39 E., MDM, Nevada sec. 17, all; sec. 20, all; sec. 21, NE, E2NW, SWNW, S2; sec. 22, all.
PARCEL NV-08-08-019	T. 31 N., R. 39 E., MDM, Nevada sec. 29, N2, N2S2, S2SE.

SAGE GROUSE

The following stipulations apply to protect sage grouse and their habitat. Known habitat is defined as those areas where sage grouse have been observed. Potential habitat is an areas where sage grouse may occur.

Known Habitat: Avoid all development or exploration activities within 3.3 km (2 miles) or other appropriate distance based on site-specific conditions, of leks, or within 1 km. (0.6 mi.) of known nesting, brood-rearing and winter habitat.

Description of Lands

PARCEL NV-08-08-018

T. 31 N., R. 39 E.
sec. 16, PROT N2, SE;
sec. 16, SW;
sec. 17, all;
sec. 21, NE, E2NW, SWNW, S2;
sec. 22, PROT N2, SE;
sec. 22, W2SW, SESW;
sec. 27, N2, W2SW, SESW, SE.

PARCEL NV-08-08-019

T. 31 N., R. 39 E., MDM, Nevada
sec. 30, lots 1-4, E2, E2W2;
sec. 31, lots 1-4, E2, E2W2;
sec. 33, N2, E2SW, SE;
sec. 34, N2N2, SENE, S2NW, S2;
sec. 35, N2, N2S2, SWSW;
sec. 36, N2, N2SW, NWSE, SESE.

PARCEL NV-08-08-020

ALL LANDS

SAGE GROUSE

The following stipulations apply to protect sage grouse and their habitat. Known habitat is defined as those areas where sage grouse have been observed. Potential habitat is an areas where sage grouse may occur.

Known Breeding habitat and Leks: February through June, but may vary on site specific basis. Avoid all activity within 3.3 km. (2 miles) of known leks during the mating season - March through May, or as determined by Field Office and Wildlife Personnel. No surface occupancy within 3.3 km (2 miles) of known leks at all times.

Description of Lands

PARCEL NV-08-08-019

T. 31 N., R. 39 E., MDM, Nevada
sec. 36, N2, N2SW, NWSE, SESE.

PARCEL NV-08-08-020

ALL LANDS

SAGE GROUSE

The following stipulations apply to protect sage grouse and their habitat. Known habitat is defined as those areas where sage grouse have been observed. Potential habitat is an areas where sage grouse may occur.

Nesting Habitat and Brood-rearing habitats: (April through August per Interim NV Guidelines) and
Winter Habitats: (October through March).

Description of Lands

PARCEL NV-08-08-019

T. 31 N., R. 39 E., MDM, Nevada
sec. 36, N2, N2SW, NWSE, SESE.

PARCEL NV-08-08-020

ALL LANDS

RIPARIAN AREAS STIPULATION

The lessee shall comply with the following special conditions and stipulations unless they are modified by mutual agreement of the Lessee and the Authorized Officer (AO):

No surface occupancy or disturbance will be allowed within 650 feet (horizontal measurement) of any surface water bodies, riparian areas, wetlands, playas, or 100-year floodplains to protect the integrity of these resources (as delineated by the presence of riparian vegetation and not actual water). Exceptions to this restriction may be considered on a case-by-case basis if the BLM determines at least one of the following conditions apply: 1) additional development is proposed in an area where current development has shown no adverse impacts, 2) suitable off-site mitigation will be provided if habitat loss is expected, or 3) BLM determines development proposed under any plan of operations ensures adequate protection of the resources.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R. 26 E., MDM, Nevada sec. 04, lots 5-12, S2; sec. 08, all; sec. 16, all; sec. 20, lots 1-8, N2; sec. 28, all.
PARCEL NV-08-08-006	ALL LANDS
PARCEL NV-08-08-007	ALL LANDS.
PARCEL NV-08-08-008	ALL LANDS
PARCEL NV-08-08-010	ALL LANDS
PARCEL NV-08-08-011	ALL LANDS
PARCEL NV-08-08-016	ALL LANDS
PARCEL NV-08-08-021	T. 22 N., R. 40 E., MDM, Nevada sec. 04, portion within Carson City; sec. 05, lots 1-4, S2N2, S2; T. 23 N., R. 40 E., MDM, Nevada sec. 28, portion within Carson City; sec. 29, all; sec. 31, lots 1-4, E2, E2W2; sec. 32, all.
PARCEL NV-08-08-022	ALL LANDS
PARCEL NV-08-08-023	ALL LANDS

NATIVE AMERICAN CONSULTATION STIPULATION

The lessee shall comply with the following special conditions and stipulations unless they are modified by mutual agreement of the Lessee and the Authorized Officer (AO):

All development activities proposed under the authority of this lease are subject to the requirement for Native American consultation prior to BLM authorizing the activity. Depending on the nature of the lease developments being proposed and the resources of concerns to tribes potentially effected, Native American consultation and resulting mitigation measures to avoid significant impacts may extend time frames for processing authorizations for development activities, as well as, change in the ways in which developments are implemented.

Description of Lands

PARCEL NV-08-08-001	T. 20 N., R. 26 E., MDM, Nevada sec. 04, lots 5-12, S2; sec. 08, all; sec. 16, all; sec. 20, lots 1-8, N2; sec. 28, all.
PARCEL NV-08-08-006	ALL LANDS
PARCEL NV-08-08-007	ALL LANDS.
PARCEL NV-08-08-008	ALL LANDS
PARCEL NV-08-08-010	ALL LANDS
PARCEL NV-08-08-011	ALL LANDS
PARCEL NV-08-08-016	ALL LANDS
PARCEL NV-08-08-021	T. 22 N., R. 40 E., MDM, Nevada sec. 04, portion within Carson City; sec. 05, lots 1-4, S2N2, S2; T. 23 N., R. 40 E., MDM, Nevada sec. 28, portion within Carson City; sec. 29, all; sec. 31, lots 1-4, E2, E2W2; sec. 32, all.
PARCEL NV-08-08-022	ALL LANDS
PARCEL NV-08-08-023	ALL LANDS

LEASE STIPULATIONS
BUREAU OF RECLAMATION

The Lessee agrees to maintain, if required by the lessor during the period of this lease, including any extension thereof, an additional bond with qualified sureties in such sum as the lessor, if it considers that the bond required under Section 2(a) is insufficient, may at any time require:

(a) to pay for damages sustained by any reclamation homestead entryman to his crops or improvements caused by drilling or other operations of the lessee, such damages to include the reimbursement of the entryman by the lessee, when he uses or occupies the land of any homestead entryman, for all construction and operation and maintenance charges becoming due during such use or occupation upon any portion of the land so used and occupied;

(b) to pay any damage caused to any reclamation project or water supply thereof by the lessee's failure to comply fully with the requirements of this lease; and

(c) to recompense any non-mineral applicant, entryman purchaser under the Act of May 16, 1930 (46 Stat. 367), or patentee for all damages to crops or to tangible improvements caused by drilling or other prospecting operations, where any of the lands covered by this lease are embraced in any nonmineral application, entry, or patent under rights initiated prior to the date of this lease, with a reservation of the oil deposits, to the United States pursuant to the Act of July 17, 1914 (38 Stat. 509).

As to any lands covered by this lease within the area of any Government reclamation project, or in proximity thereto, the lessee shall take such precautions as required by the Secretary to prevent any injury to the lands susceptible to irrigation under such project or to the water supply thereof; *provided* that drilling is prohibited on any constructed works or right-of-way of the Bureau of Reclamation, and *provided, further*, that there is reserved to the lessor, its successors and assigns, the superior and prior right at all times to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, and reclamation works, in which construction, operation, and maintenance, the lessor, its successors and assigns, shall have the right to use any or all of the lands herein described without making compensation therefore, and shall not be responsible for any damage from the presence of water thereon or on account of ordinary, extraordinary, unexpected, or unprecedented floods. That nothing shall be done under this lease to increase the cost of, or interfere in any manner with, the construction, operation, and maintenance of such works. It is agreed by the lessee that, if the construction of any or all of said dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone or telegraph lines electric transmission lines, roadways, appurtenant irrigation structures or reclamation works across, over, or upon said lands should be made more expensive by reason of the existence of the improvements and workings of the lessee thereon, said additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States, or its successors, constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, or reclamation works, across, over, or upon said lands; *provided, however*, that subject to advance written approval by the United States the location and course of any improvements or works and appurtenances may be changed by the lessee; *provided further*, that the reservations, agreements, and conditions contained in the within lease shall be and remain applicable notwithstanding any change in the location or course of said improvements or works of lessee. The lessee further agrees, that the United States, its officers, agents, and employees, and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works herein above enumerated. Nothing in this paragraph shall be construed as in any manner limiting other reservations in favor of the United States contained in this lease.

THE LESSEE FURTHER AGREES That there is reserved to the lessor, its successors and assigns, the prior right to use any of the lands herein leased, to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures, and also the right to remove construction materials therefrom, without any payment made by the lessor or its successors for such right, with the agreement on the part of the lessee that if the construction of any or all of such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or the removal of construction materials therefrom, should be made more expensive by reason of the existence of improvements or workings of the

lessee thereon, such additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States or its successors constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or removing construction materials therefrom. The lessee further agrees that the lessor, its officers, agents, and employees and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works herein above enumerated. Nothing contained in this paragraph shall be construed as in any manner limiting other reservations in favor of the lessor contained in this lease.

SPECIAL STIPULATION - BUREAU OF RECLAMATION

To assist in preventing damage to any Bureau of Reclamation dams, reservoirs, canals, ditches, laterals, tunnels, and related facilities, and contamination of the water supply therein, and to avoid interference with recreation development and/or impacts to fish and wildlife habitat, the lessee agrees that the following conditions shall apply to all exploration and developmental activities and other operation of the works thereafter on lands covered by this lease:

1. Prior to commencement of any surface-disturbing work including drilling, access road work, and well location construction, a surface use and operations plan will be filed with the appropriate officials. A copy of this plan will be furnished to the Resource Division Manager, Lahontan Basin Area Office, Bureau of Reclamation, 705 North Plaza Street, Room 320, Carson City, Nevada 89701, for review and consent prior to approval of the plan. Such approval will be conditioned on reasonable requirements needed to prevent soil erosion, water pollution, and unnecessary damages to the surface vegetation and other resources, including cultural resources, of the United States, its lessees, permittees, or licensees, and to provide for the restoration of the land surface and vegetation. The plan shall contain provisions as the Bureau of Reclamation may deem necessary to maintain proper management of the water, recreation, lands, structures, and resources, including cultural resources, within the prospecting drilling, or construction area.

Drilling sites for all wells and associated investigations such as seismograph work shall be included in the above- mentioned surface use and operation plan.

If later explorations require departure from or additions to the approved plan, these revisions or amendments, together with a justification statement for proposed revisions, will be submitted for approval to the Resource Division Manager, Lahontan Basin Area Office, Bureau of Reclamation, or their authorized representative.

Any operations conducted in advance of approval of an original, revised, or amended prospecting plan, or which are not in accordance with an approved plan constitute a violation of the terms of this lease. The Bureau of Reclamation reserves the right to close down operations until such corrective action, as is deemed necessary, is taken by the lessee.

2. No occupancy of the surface of the following areas is authorized by this lease. It is understood and agreed that the use of these areas for Bureau of Reclamation purposes is superior to any other use. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100 percent of the fee mineral interest.

- a. Within 500 feet on either side of the centerline of any and all roads or highways within the leased area.
- b. Within 200 feet on either side of the centerline of any and all trails within the leased area.
- c. Within 500 feet of the normal high-water line of any and all live streams in the leased area.
- d. Within 400 feet of any and all recreation developments within the leased area.

- e. Within 400 feet of any improvements either owned, permitted, leased, or otherwise authorized by the Bureau of Reclamation within the leased area.
- f. Within 200 feet of established crop fields, food plots, and tree/shrub plantings within the leased area.
- g. Within 200 feet of slopes steeper than a 2:1 gradient within the leased area.
- h. Within established rights-of-way of canals, laterals, and drainage ditches within the leased area.
- i. Within a minimum of 500 feet horizontal from the centerline of the facility or 50 feet from the outside toe of the canal, lateral, or drain embankment, whichever distance is greater, for irrigation facilities without clearly marked rights-of-way within the leased area.
- j. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirement specified in Section 2 hereof. **HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.**

3. No occupancy of the surface or surface drilling will be allowed in the following areas. In addition to, no directional drilling will be allowed that would intersect the subsurface zones delineated by a vertical plane in these areas. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100 percent of the fee mineral interest.

- a. Within 1,000 feet of the maximum water surface, as defined in the Standard Operating Procedures (SOP), of any reservoirs and related facilities located within the leased area.
- b. Within 2,000 feet of dam embankments and appurtenance structures such as spillway structures, outlet works, etc.
- c. Within one-half (1/2) mile horizontal from the centerline of any tunnel within the leased area.
- d. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected. Reclamation may consider, on a case-by-case basis, waiving the requirements specified in Section 3 hereof. **HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.**

4. The distances stated in items 2 and 3 above are intended to be general indicators only. The Bureau of Reclamation reserves the right to revise these distances as needed to protect Bureau of Reclamation facilities.

5. There will be no discharges into any Bureau of Reclamation water delivery or drainage facilities.

6. Lessee shall not use Bureau of Reclamation operation and maintenance roads for lease related access without prior written approval of the Bureau of Reclamation.

7. The use of explosives in any manner shall be so controlled that the works and facilities of the United States, its successors and assigns, will in no way be endangered or damaged. In this connection, an explosives use plan shall be submitted to and approved by the Resource Division Manager, Lahontan Basin Area Office, Bureau of Reclamation, or their authorized representative.

8. There is also reserved to the United States, the right of its officers, agents, employees, licensees and permittees, at all proper times and places freely to have ingress to, passage over, and egress from all of said lands for the purpose of exercising, and protecting the rights reserved herein.

9. The Lessor reserves the ownership of brines and condensates and the right to receive or take possession of all or any part thereof following the extraction or utilization by Lessee of the heat energy and byproducts other than demineralized water associated therewith subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. If the Lessor elects to take the brines and condensates, the Lessee shall deliver all or any portion thereof to the Lessor at any point in the Lessee's geothermal gathering system after separation of the steam and brine products or from the disposal system as specified by the Lessor for the extraction of said brines and condensates by such means as the Lessor may provide and without cost to the Lessee.

There is no obligation on the part of the Lessor to exercise its reserved rights. The Lessor shall not be liable in any manner if those rights are not exercised, and, in that event, the Lessee shall dispose of the brines and condensates in accordance with applicable laws, rules and regulations. The Lessor reserves the right to conduct on the leased lands, testing and evaluation of geothermal resources which the Lessor determines are required for its desalinization research programs for utilization of geothermal fluids. These programs may include shallow temperature gradient hole underground exploration, if they are conducted in a manner compatible with lease operations and the production by Lessee of geothermal steam and associated geothermal resources.

Lessor reserves the right to erect, maintain, and operate any and all facilities, pipelines, transmission lines, access roads, and appurtenances necessary for desalinization on the leased premises. Any desalting plants, piping, wells, or other equipment installed by the Lessor on the leased premises shall remain the property of the Lessor; and the Lessee shall conduct his operations in a manner compatible with the operation and maintenance of any desalting plants, piping, wells, or other equipment installed by the Lessor. Any brines and condensates removed by the Lessor shall be replaced without cost to the Lessee with fluids as compatible with reservoir fluids as the brines or condensates that the Lessor removed and where the Lessor and Lessee determine that they are needed by the Lessee for his operation or for reinjection into the geothermal anomalies.

The Lessor and the Lessee, if authorized by law, may enter into cooperative agreements for joint development and production of geothermal resources from the leased premises consistent with applicable laws and regulations. Any geophysical, geological, geochemical, and reservoir hydraulic data collected by either the Bureau of Reclamation or the Lessee will be made available upon request to the other party, and the data furnished to Reclamation by the Lessee shall be considered confidential so long as the following conditions prevail:

a. Until the Lessee notifies Reclamation that there is no requirement to retain the submitted data in confidential status or until Lessee relinquishes all interest in the leased area from where the information was obtained.

b. Reclamation shall not incorporate data received from the Lessee in its publications or reports during the period that confidential data are being retained without written authorization from the Lessee.

c. Information obtained by Reclamation, and upon request submitted to the Lessee, shall not be used in publications or reports issued by Lessee without written consent of Reclamation until the data have been published or otherwise given distribution by Reclamation.

10. Bureau of Reclamation will review all road or bridge crossings, piping or closure of any reclamation project feature, and review NEPA and Cultural clearances on an individual basis.

11. The lessee shall be liable for all damage to the property of the United States, its successors and assigns, resulting from the exploration, development, or operation of the works contemplated by this lease, and shall further hold the United States, its successors and assigns, and its officers, agents, and employees, harmless from all claims of third parties for injury or damage sustained or in any way resulting from the exercise of the rights and privileges conferred by this lease.

12. The lessee shall be liable for all damage to crops or improvements of any entryman, nonmineral applicant, or patentee, their successors and assigns, caused by or resulting from the drilling or other operations of the lessee, including reimbursement of any entryman or patentee, their successors and assigns, for all construction, operation,

and maintenance charges becoming due on any portion of their said lands damaged as a result of the drilling or other operations of the lessee.

13. In addition to any other bond required under the provisions of this lease, the lessee shall provide such bond as the United States may at any time require for damages which may arise under the liability provisions of sections eleven (11) and twelve (12) above.

Description of Lands

PARCEL NV-08-08-002

ALL LANDS

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NV-08-08-001 4535.510 Acres

T.0200N, R.0260E, 21 MDM, NV

Sec. 004 LOTS 5-12;
 004 S2;
 008 ALL;
 010 ALL;
 016 ALL;
 020 LOTS 1-8;
 020 N2;
 022 ALL;
 028 ALL;

Churchill County

Carson City FO

Stipulations:

NV-030-NA1, NSO-030-1, NV-002-001,
NV-002-002, NV-002-003, NV-002-004,
NV-002-005, NV-002-007, NV-002-008,
NV-002-009, NV-002-010, NV-002-011

NV-08-08-002 1280.000 Acres

T.0230N, R.0260E, 21 MDM, NV

Sec. 026 ALL;
 034 ALL;

Churchill County

Winnemucca FO

BUREAU OF RECLAMATION

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, BOR STIPS

NV-08-08-003 2021.300 Acres

T.0440N, R.0270E, 21 MDM, NV

Sec. 003 LOTS 1-4;
 003 S2N2,S2;
 004 PROT ALL;

T.0450N, R.0270E, 21 MDM, NV

Sec. 033 PROT ALL;

Humboldt County

Winnemucca FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-011,
NV-002-012

NV-08-08-004 1916.360 Acres

T.0220N, R.0280E, 21 MDM, NV

Sec. 004 LOTS 1-4;
 004 S2N2,S2;
 008 ALL;
 016 ALL;

Churchill County

Winnemucca FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010,

NV-08-08-005 1280.000 Acres

T.0230N, R.0280E, 21 MDM, NV

Sec. 032 ALL;
 034 ALL;

Churchill County

Winnemucca FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-011

NV-08-08-006 2200.000 Acres

T.0050N, R.0300E, 21 MDM, NV

Sec. 012 E2;
 013 E2,SESW,E2SW;
 024 ALL;
 025 ALL;
 026 E2E2;

Mineral County

Carson City FO

EXCELSIOR BLOCK

Total Block Acres = 7200.84

Stipulations:

NV-030-NA1, NSO-030-1

NV-08-08-007 5000.840 Acres

T.0050N, R.0310E, 21 MDM, NV

Sec. 016 ALL;
 017 ALL;
 018 LOTS 1-4;
 018 E2,E2W2;
 019 LOTS 1-4;
 019 E2,E2W2;
 020 ALL;
 021 ALL;
 029 ALL;
 030 LOTS 1-4;
 030 E2,E2W2;

Mineral County

Carson City FO

EXCELSIOR BLOCK

Stipulations:

NV-030-NA1, NSO-030-1

NV-08-08-008 2706.920 Acres

T.0160N, R.0300E, 21 MDM, NV

Sec. 001 PROT ALL;
 002 PROT ALL;
 003 PROT ALL;

T.0160N, R.0310E, 21 MDM, NV

Sec. 006 LOTS 1-7;
 006 S2NE,SESW,E2SW,SE;

Churchill County

Carson City FO

Stipulations:

NV-030-NA1, NSO-030-1,

NV-08-08-009 2560.000 Acres

T.0040N, R.0360E, 21 MDM, NV

Sec. 021 PROT ALL;
 022 PROT ALL;
 028 PROT ALL;
 029 PROT ALL;

Esmeralda County
Battle Mountain FO

NV-08-08-010 2560.000 Acres

T.0140N, R.0360E, 21 MDM, NV

Sec. 021 PROT ALL;
 022 PROT ALL;
 028 PROT ALL;
 029 PROT ALL;

Mineral and Nye Counties
Carson City FO
Stipulations:
NV-030-NA1, NSO-030-1

NV-08-08-011 3560.000 Acres

T.0210N, R.0380E, 21 MDM, NV

Sec. 013 E2E2,SWSE;
 021 E2,E2W2;
 023 SE;
 024 E2,NENW,SWNW,N2SW,SESW;
 025 ALL;
 026 E2,E2NW,SWNW,SW;
 027 S2N2,S2;
 028 E2,E2W2;

Churchill County
Carson City FO
Stipulations:
NV-030-NA1, NSO-030-1

NV-08-08-012 320.000 Acres

T.0250N, R.0380E, 21 MDM, NV

Sec. 028 N2N2,SWNE,S2NW,NWSW;

Pershing and Churchill Counties
Winnemucca FO
Carson City FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-011,
NV-002-012, NV-002-013, NV-002-014

NV-08-08-013 640.700 Acres

T.0310N, R.0380E, 21 MDM, NV

Sec. 001 LOTS 1-4;
 001 S2N2,S2;

Pershing County
Winnemucca FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-013

NV-08-08-014 5078.000 Acres

T.0010N, R.0382E, 21 MDM, NV

Sec. 004 PROT ALL;
 005 PROT ALL;
 006 PROT ALL;
 007 PROT ALL;
 008 PROT ALL;
 009 PROT ALL;
 016 PROT ALL;
 017 PROT ALL;
 018 PROT ALL;

Esmeralda County
Battle Mountain FO
WEEPAH BLOCK
Total Block Acres = 7626.00

NV-08-08-015 2548.000 Acres

T.0010N, R.0390E, 21 MDM, NV

Sec. 006 PROT ALL;
 007 PROT ALL;
 018 PROT ALL;
 019 PROT ALL;

Esmeralda County
Battle Mountain FO
WEEPAH BLOCK

NV-08-08-016 3840.000 Acres

T.0220N, R.0390E, 21 MDM, NV

Sec. 013 ALL;
 023 ALL;
 024 ALL;
 025 ALL;
 026 ALL;
 027 ALL;

Churchill County
Carson City FO
Stipulations:
NV-030-NA1, NSO-030-1

NV-08-08-017 1201.460 Acres

T.0250N, R.0390E, 21 MDM, NV

Sec. 004 LOTS 1-4;
 004 S2N2,SW,W2SE;
 005 LOTS 1-4;
 005 S2N2,S2;

Pershing County
Winnemucca FO
Stipulations:
NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-012,
NV-002-013

NV-08-08-018 4360.000 Acres

T.0310N, R.0390E, 21 MDM, NV

Sec. 016 SW;
016 PROT N2,SE;
017 ALL;
020 ALL;
021 NE,E2NW,SWNW,S2;
022 W2SW,SESW;
022 PROT N2,SE;
027 N2,W2SW,SESW,SE;
028 ALL;

Pershing County

Winnemucca FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-011,
NV-002-012, NV-002-016, NV-002-017,
NV-002-018

NV-08-08-021 4461.460 Acres

T.0220N, R.0400E, 21 MDM, NV

Sec. 004 LOTS 1-4;
004 S2N2,S2;
005 LOTS 1-4;
005 S2N2,S2;

T.0230N, R.0400E, 21 MDM, NV

Sec. 028 ALL;
029 ALL;
031 LOTS 1-4;
031 E2,E2W2;
032 ALL;
034 ALL;

Churchill and Lander Counties

Carson City FO

Battle Mountain FO

MCCOY BLOCK**Total Block Acres = 11,851.65**

Stipulations:

GEO-1, NV-030-NA1, NSO-030-1

NV-08-08-019 4876.480 Acres

T.0310N, R.0390E, 21 MDM, NV

Sec. 019 LOTS 1-4;
019 E2,E2W2;
029 N2,N2S2,S2SE;
030 LOTS 1-4;
030 E2,E2W2;
031 LOTS 1-4;
031 E2,E2W2;
032 NENE,SWNW,SW;
033 N2,E2SW,SE;
034 N2N2,SENE,S2NW,S2;
035 N2,N2S2,SWSW;
036 N2,N2SW,NWSE,SESE;

Pershing County

Winnemucca FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-011,
NV-002-012, NV-002-016, NV-002-017,
NV-002-018, NV-002-019, NV-020-020

/1/

NV-08-08-022 4435.600 Acres

T.0220N, R.0400E, 21 MDM, NV

Sec. 006 LOTS 1-7;
006 S2NE,SENE,E2SW,SE;
007 LOTS 1-4;
007 E2,E2W2;
008 ALL;
009 ALL;
017 ALL;
018 LOTS 1-4;
018 E2,E2W2;
019 LOTS 1-4;
019 E2,E2W2;

Churchill County

Carson City FO

MCCOY BLOCK

Stipulations:

NV-030-NA1, NSO-030-1

NV-08-08-020 1920.000 Acres

T.0310N, R.0390E, 21 MDM, NV

Sec. 024 SE;
024 PROT N2,SW;
025 ALL;
026 ALL;

Pershing County

Winnemucca FO

Stipulations:

NV-002-001, NV-002-002, NV-002-003,
NV-002-004, NV-002-005, NV-002-007,
NV-002-009, NV-002-010, NV-002-011,
NV-002-012, NV-002-016, NV-002-018
NV-002-019, NV-002-020

NV-08-08-023 2954.590 Acres

T.0230N, R.0400E, 21 MDM, NV

Sec. 007 LOTS 4;
007 SESW,NESE,S2SE;
008 W2SW,SESW,S2SE;
016 ALL;
017 ALL;
020 ALL;
021 ALL;

Churchill County

Carson City FO

MCCOY BLOCK

Stipulations:

NV-030-NA1, NSO-030-1

NV-08-08-024 1735.020 Acres

T.0310N, R.0470E, 21 MDM, NV
Sec. 022 ALL;
T.0310N, R.0480E, 21 MDM, NV
Sec. 008 N2,N2S2;
016 LOTS 1-7;
016 S2NE,SE,SW,E2SW,SE;
Lander County
Battle Mountain FO

NV-08-08-025 4096.830 Acres

T.0380N, R.0590E, 21 MDM, NV
Sec. 002 LOTS 4;
002 SWNW,W2SW;
004 LOTS 1-4;
004 S2N2,S2;
010 ALL;
011 W2W2;
012 E2,E2W2;
014 SWNW,W2SW;
016 ALL;
022 ALL;
024 E2;
026 LOTS 2-6;
036 E2NE;
Elko County
Elko FO
MARY'S RIVER BLOCK
Total Block Acres = 7,136.83
Stipulations:
GEO-010-05-01, GEO-010-05-02, GEO-010-05-03,
GEO-010-05-05, GEO-010-05-08, GEO-010-05-07

NV-08-08-026 3040.000 Acres

T.0390N, R.0590E, 21 MDM, NV
Sec. 014 ALL;
022 NWNW,S2N2,S2;
024 NWNE,NW,N2SW;
026 N2N2,S2NW,W2SW;
034 ALL;
036 ALL;
Elko County
Elko FO
MARY'S RIVER BLOCK
Stipulations:
GEO-010-05-01, GEO-010-05-02, GEO-010-05-03,
GEO-010-05-05, GEO-010-05-07, GEO-010-05-08

NV-08-08-027 5095.640 Acres

T.0290N, R.0610E, 21 MDM, NV
Sec. 001 LOTS 1-4;
001 S2N2,S2;
012 ALL;
013 ALL;
T.0290N, R.0620E, 21 MDM, NV
Sec. 015 ALL;
016 ALL;
017 ALL;
018 LOTS 1-4;
018 E2,E2W2;
019 LOTS 1-4;
019 E2,E2W2;
Elko County
Elko FO
DELCER BUTTES BLOCK
Total Block Acres = 10,185.92
Stipulations:
GEO-010-05-01, GEO-010-05-02, GEO-010-05-03,
GEO-010-05-08

NV-08-08-028 5090.280 Acres

T.0290N, R.0620E, 21 MDM, NV
Sec. 003 LOTS 1-4;
003 S2N2,S2;
004 LOTS 1-4;
004 S2N2,S2;
005 LOTS 1-4;
005 S2N2,S2;
006 LOTS 1-7;
006 S2NE,SE,SW,E2SW,SE;
007 LOTS 1-4;
007 E2,E2W2;
008 ALL;
009 ALL;
010 ALL;
Elko County
Elko FO
DELCER BUTTES BLOCK
Stipulations:
GEO-010-05-01, GEO-010-05-02, GEO-010-05-03

NV-08-08-029 5071.780 Acres

T.0290N, R.0610E, 21 MDM, NV
Sec. 005 LOTS 1-4;
005 S2N2,S2;
006 LOTS 1-7;
006 S2NE,SE,SW,E2SW,SE;
007 LOTS 1-4;
007 E2,E2W2;
008 ALL;
017 ALL;
018 LOTS 1-4;
018 E2,E2W2;
019 LOTS 1-4;
019 E2,E2W2;
020 ALL;
Elko County
Elko FO
Stipulations:
GEO-010-05-01, GEO-010-05-02, GEO-010-05-03,
GEO-010-05-05, GEO-010-05-09

NV-08-08-030 4609.360 Acres

T.0290N, R.0620E, 21 MDM, NV

Sec. 001 LOTS 1-4;
 001 S2N2,S2;
 002 LOTS 1-4;
 002 S2N2,S2;
 011 ALL;
 012 ALL;
 013 ALL;
 014 N2,N2S2,SWSW,SESE;
 014 N2SESW,W2SWSESW,N2SWSE;
 014 NESWSWSE,SESWSE;
 023 E2SENE,E2W2SENE,SWSWSENE;
 023 NENE,SWNW,SESE;
 024 ALL;

Elko County

Elko FO

Stipulations:

GEO-010-05-01, GEO-010-05-02, GEO-010-05-03

NV-08-08-031 640.000 Acres

T.0010S, R.0390E, 21 MDM, NV

Sec. 035 ALL;

Esmeralda County

Battle Mountain FO

NV-08-08-032 3098.180 Acres

T.0010S, R.0400E, 21 MDM, NV

Sec. 019 LOTS 25-48;
 019 E2;
 020 ALL;
 021 ALL;
 022 ALL;

Esmeralda County

Battle Mountain FO

NV-08-08-033 1500.000 Acres

T.0010S, R.0400E, 21 MDM, NV

Sec. 023 ALL;
 026 ALL;
 035 E2E2;
 035 N2NWNE,N2NENW,S2SWSE;

Esmeralda County

Battle Mountain FO

NV-08-08-034 1920.000 Acres

T.0010S, R.0400E, 21 MDM, NV

Sec. 024 ALL;
 025 ALL;
 036 ALL;

Esmeralda County

Battle Mountain FO

NV-08-08-035 3097.230 Acres

T.0010S, R.0400E, 21 MDM, NV

Sec. 027 ALL;
 028 ALL;
 029 ALL;
 030 LOTS 25-50;
 030 E2;

Esmeralda County

Battle Mountain FO

Number of Parcels - 35

Total Acreage - 105351.54

Parcels containing blocks - 006, 007,
014, 015, 021, 022, 023, 025, 026, 027,
028

Any portion of the listed lands may be
deleted upon determination that such
lands are not available for leasing.

FOOTNOTES

/1/ All or part of the lands are non-
federal surface (split estate) with
title to the mineral estate held by the
United States. Due to this status, the
mineral estate is administered by the
Bureau of Land Management (BLM).
Permits and approvals will be issued by
the authorized BLM Office.

The lessee should enter into an
agreement with the surface owner
regarding use of the surface and
possible damages. If an agreement
cannot be reached, BLM may require an
additional bond to cover the cost of
possible surface damage reclamation.